Remarks by
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Admiral Reynolds, thank you for that kind introduction. It is a great honor to be here among so many whom I consider to be heroes of the Cold War, members of the Silent Service who sacrificed much on behalf of the United States.

I am eager to share with you some of my thoughts on the role of submarines in today's world, and some of the challenges we face. Most of you know, I am sure, that the history of modern submarines started in the U.S. Navy.

In thinking about those early years, I am reminded of a story from a time when life was much simpler. In 1873, the engineer John Holland submitted a design for a submersible to the Secretary of the Navy. The Secretary—whose name I will not divulge, out of professional courtesy—rejected it, calling it "a fantastic scheme of a civilian landsman." He then passed it on to a subordinate, who added that "No one would be willing to go underwater in such a craft," and even if the idea had merit, "to put anything through Washington was uphill work." OK, perhaps some things in life have not changed all that much . . .

In all seriousness, I would like to thank all of you for your service and for your support for the submarine community. You and your predecessors have made and continue to make a tremendous contribution to the defense of our country.

Today I would like to focus on the submarine force in the current security environment. Notwithstanding the intractable nature of the ways of Washington, the world has changed—profoundly.

For example, Admiral DeMars, is just back from a trip to Russia, where he participated in the 100<sup>th</sup> anniversary celebration of the Russian submarine force. That former adversaries would meet in a setting of mutual, professional respect and friendship, merely serves to illustrate how events can dramatically change relations between nations. Admiral DeMars' warm reception and friendly interaction with Russia are in line with my own experience in Kosovo, where Americans, Russians, and Ukrainians worked closely together in support of a common objective.

What has emerged since the end of the Cold War is the recognition that our challenge today is two-fold. We must fight today's global war on terror while simultaneously building the fleet for an uncertain future.

Potential future threats cover a broad spectrum. We must be prepared to face threats that emerge from near peer competitors, rogue states, transnational non-state actors, and criminal elements. Geographically, they span theatres from the Persian Gulf to the coast of South America to the Pacific Rim.

Given these conditions, the US submarine force is as vital to our security as ever. The need for our strategic deterrent force remains. But the idea of deterrence has now expanded beyond nuclear to include non-nuclear assets.

We have also expanded tactical strike capability from SSN-launched tomahawks to SSGN strike. SSGN conversion is a key component of our transformation efforts in the submarine domain. SSGN can now carry up to 154 Tomahawks—a capability that surpasses that of the average strike group.

Other changes in submarine warfare are also underway. As many of you know, we have proposed the Conventional Trident Ballistic Missile in the FY07 budget that is now before Congress. A conventional ballistic missile will provide the President with additional, timely, long-range strike options. Given the importance of real-time intelligence in the global war on terror, this capability would provide us with a powerful new weapon in our warfighting arsenal. And from a terrorist's point of view, the deterrent value of such a weapon is clear—a terrorist would realize that he could be struck within an hour no matter where on the globe he chooses to operate.

Another important development to note is that attack submarines are evolving, with the Los Angeles class and the Seawolf submarines paving the way for a new generation of Virginia class submarines and SSGN's. The integration of Special Forces into the submarine community is receiving increased emphasis. While SOF missions have long been a part of submarine warfare, SSGN and Virginia class submarines significantly expand their capabilities.

Today's young submariners are being trained to think of submarines with a degree of versatility that might impress some of the Cold War veterans in this room.

Our focus on nuclear power propulsion, however, has not changed. There has been much discussion of future propulsion systems for US submarines, but we must recognize that we derive tremendous leverage from nuclear power. Given the geography of the world, and the global nature of future threats, I want to make it clear: <a href="our submarine force will remain nuclear powered">our submarine force will remain nuclear powered</a>.

Our responsibilities are global, and we need to operate worldwide. Moreover, the extended, covert, on station capability of nuclear submarines—and the intelligence-gathering potential that that implies—is indispensable.

Other nations that are primarily concerned with a self-defense capability are developing technologies in other directions, notably, Air Independent Propulsion. This development is, unfortunately, a double-edged sword. On the one hand, it provides our allies with enhanced security, but at the same time, it can threaten our interests abroad if such capability falls into the wrong hands.

With support from surface, air, and submarine assets, we need to be in a position to adequately counter the submarine advances of other nations. We will be taking advantage of an all-nuclear submarine force to confront the uncertain threat environment of the  $21^{\rm st}$  century.

I recognize that the decision to focus exclusively on nuclear power creates some challenges. But I believe that we can deal with them. Let me explain.

<u>First</u> and foremost, the most important challenge concerns personnel. It is often said that people are our most important resource, an assertion that is especially true with respect to the submarine force. Finding the numbers and quality of individuals the submarine force needs for its nuclear power training pipeline is becoming increasingly difficult as it competes for the best talent at the Naval Academy, at our nation's top universities, and in high schools across America.

That need is clear, but there is also a competing demand for talent in other, non-technical areas that are key to America's ability to successfully wage the global war on terror. For example, I support an increased emphasis on foreign languages and cultural knowledge. Building partnerships with coalition nations in support of a 1000-ship Navy is, indeed, an important objective, and cultural understanding will be a key component of that effort. But this goal must not come at the expense of developing students with the technical skills necessary to operate Naval nuclear-powered vessels.

The <u>second</u> challenge is preserving our industrial base. Building nuclear submarines is not like building a commercial tanker or a container ship. The design and production of nuclear submarines is extraordinarily complex. We are building on decades of learning when we design and build submarines, and such knowledge, is a rare commodity. The expertise of just one engineer, or one highly skilled technician, takes years to replace. We are at a challenging point in the history of the business, and with respect to the demographics of the workforce. It is evident that industry needs to accommodate both near-term and long-term trends.

The Navy has adopted a 30-year shipbuilding plan that projects its expected future shipbuilding requirements. Ultimately, the fate of the plan is in the hands of Congress, but we must encourage stability in our shipbuilding plans. Industry will need to invest in modern facilities and better align its workforce demographics with the Navy's shipbuilding plan. This is an issue that I have publicly discussed in recent months, and an issue that is important to the future health of both Navy and industry. We are working with industry to find solutions to this challenge.

<u>Third</u>, the affordability of submarines is increasingly a concern. At the same time that we are investing in the submarine fleet, we are also building the totality of the fleet towards a 313-ship Navy.

The submarine portion of this plan assumes a fiscal objective of achieving a per unit cost of \$2 billion for Virginia class submarines. We need to achieve a cost reduction of \$200 million per boat through technology insertion and investments in more efficient construction processes. We believe this is an achievable objective. After the cost reductions are achieved, then we will be able to increase the rate of production to two submarines per year, beginning in 2012. This will result in additional cost savings through economic order quantities.

Increasing the build rate before we effect these important cost reductions will jeopardize our ability to build the 21<sup>st</sup> century fleet our nation needs. Our submarine acquisition strategy is a critical component of our shipbuilding plan. We need to have the Navy together on this, and I ask you for your support.

The <u>fourth</u> challenge I would like to discuss this afternoon concerns safety. As I mentioned a few moments ago, one of the unique elements of our submarine program are the exacting safety requirements that we have adopted. One of the many superlatives earned by our submarine force is a great safety record. It is an impressive success story.

I commend the many submariners in this room who have contributed to the submarine community's unsurpassed safety record. Compiling an outstanding safety record over the course of many decades is no accident. The extraordinary emphasis we place on submarine safety has paid off in a culture within the submarine community that does not compromise safety standards for any reason. When we look at some of the experiences others have had, we are reminded of the value of SUBSAFE.

There can be no deviation, there will be no deviation, and no compromise on safety. The tendency to become complacent must be resisted, and renewed efforts to ensure the safety of nuclear-powered submarines will continue as a priority on my watch.

In conclusion, the U.S. submarine force has much to be proud of, and many challenges ahead. The submarine force that has become the envy of the world succeeded in its mission to deter war with the Soviet Union, and is today proving anew its value as an irreplaceable asset in our nation's defense arsenal. It is taking a leadership role in the global war on terror, and transforming to position itself as a key component in the national strategy to prepare for an uncertain future.

Indeed, submarines remain integral to the Navy. A new generation of submariners will play a pivotal role in the global war on terror, and will continue to adapt to the changing security environment. The submarine community that has produced great leaders in the past is today represented by outstanding leaders such as Admiral Giambastiani. I fully expect that submariners will continue to provide the Navy with top leaders in the years ahead.

Thank you for all your contributions to our nation's defense, and thank you for all your outstanding support for the submarine community.